

59 Washington Street
Martinsville, IN 46151

Office of Thrift Supervision
Department of the Treasury
1700 G Street, N. W.
Washington, DC 20552

Attn: William Magrini, Senior Project Manager

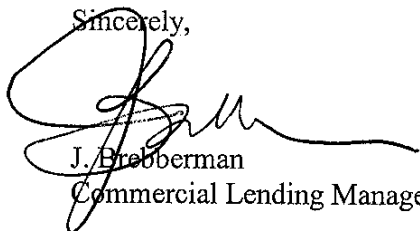
Dear Mr. Magrini:

HomeBanksb is a thrift in Martinsville, Indiana and would like to respond to the request for comments pertaining to the classification of commercial credit exposure. We currently have in place to use the FDIC Commercial Grading System 1-9. Under this system it allows us to closely monitor our loans and also reclassify the risk rating based on potential loss. In this event it could be moved to a reclassification of the special mention, substandard and doubtful that we would be in continual communications with Sr. Management on the possibility of a loss. To add the borrower rating or facility rating would be similar to the grading system already in place. In addition we have an Allowance for Loan Loss Policy that further defines and clarifies our structure on how we will handle these loans, whether delinquent or in default if action needs to be taken.

At this time I believe we have sufficient measures in place using the FDIC guidelines on commercial lending that cover your recommended ratings.

If you would like to further discuss I can be reached at (765) 342-7070, ext. 227. I hope you find our response useful for your proposal.

Sincerely,



J. Brebberman
Commercial Lending Manager

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